

APPENDIX - A

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Dictionary of Business Terms

THIRD EDITION

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BUSINESS REPLY ENVELOPE (BRE)

a business reply permit. Business reply cards, which are mailed at first-class postage rates, make it easy for people to respond to a promotion. *See also* BUSINESS REPLY MAIL.

BUSINESS REPLY ENVELOPE (BRE) promotion reply envelope, preaddressed to the seller, for orders, payments, or inquiries. BREs are mailed at first-class rates but usually require no postage payment by the responder. *See* BUSINESS REPLY MAIL.

BUSINESS REPLY MAIL (BRM) preaddressed cards, envelopes, labels, or cartons that can be mailed without prepayment of postage. After delivery of the mailing piece, the U.S. Postal Service collects the postage due, based upon a printed permit number on the envelope that identifies the addressee. The addressee pays an annual fee for the permit. *See also* BUSINESS REPLY CARD; BUSINESS REPLY ENVELOPE.

BUSINESS-TO-BUSINESS ADVERTISING advertising intended to communicate among businesses, as opposed to consumer advertising. Business-to-business advertising is directed at business people or companies who buy (or *specify*)—such as architects, engineers, or contractors) products for business use. Businesses advertise in their own trade publications (a practice called *business paper advertising*), of which there are three times as many as consumer magazines. *See also* AMERICAN BUSINESS PRESS, INC.

BUSINESS TRUST *see* MASSACHUSETTS TRUST.

BUSINESS VALUE

1. the intangible value in a business, above the value of its tangible assets, which include buildings, land, and fixtures.
2. the entire value of a business; the summation of all its parts, tangible and intangible.

BUST-UP ACQUISITION in corporate acquisitions, a transaction in which a raider sells some of the acquired company's assets to finance the leveraged acquisition.

BUTTON (COMPUTER) a defined area of the screen, usually designed to look like a pushbutton, which, when clicked with a mouse, will perform a given action, usually represented by an icon on the button face. For example, buttons may be used to open files, apply text formatting such as boldface and italic, or print a document.

BUTTON BAR *see* TOOLBAR.

BUY acquire property in return for money. *Buy* can also be used as a synonym for *bargain*.

BUY-AND-SELL AGREEMENT approach used for sole proprietorships, partnerships, and close corporations in which the business interests of a deceased or disabled proprietor, partner, or shareholder are sold according to a predetermined formula to the remaining

member(s) of the business. Funds for buying out the deceased partner's interest are usually provided by life insurance policies, with each partner purchasing a policy on the other partners. Each is the owner and beneficiary of the policies purchased on the other partners.

BUY-BACK AGREEMENT provision in a contract under which the seller agrees to repurchase the property at a stated price upon the occurrence of a specified event within a certain period of time. For example, a *buy-back agreement* in a sales contract may require the builder-seller to buy the property back if the buyer-occupant is transferred by his company within six months.

BUY DOWN

1. paying additional DISCOUNT POINTS to a lender in exchange for a reduced rate of interest on a loan. The reduced rate may apply for all or a portion of the loan term.
2. home seller arranging a lower interest by making a payment to the lender, thereby *buying down* the loan for the home purchaser.

BUYER one who purchases goods or services; also called *customer*. A consumer makes purchases for his/her own use or purpose. A professional buyer makes bulk purchases on behalf of a retailer or wholesaler. A media buyer purchases media space or time for an advertiser.

BUYER BEHAVIOR field of knowledge on how buyers behave, essential to modern marketing. *Buyer behavior* is also influenced by personality, sociodemographic characteristics, and lifestyle.

BUYER'S BROKER in real estate brokerage, an agent explicitly representing the buyer. The broker may locate appropriate properties and assist in making an offer and negotiating a contract. The buyer may or may not pay a fee for this service.

BUYER'S MARKET

In general: situation in which supply exceeds demand.

In real estate: situation where buyers have a wide choice of properties and may negotiate lower prices; often caused by overbuilding, local population decreases, or economic slump. *See also* SELLER'S MARKET.

BUYER'S REMORSE *see* COGNITIVE DISSONANCE.

BUY IN

Options trading: procedure whereby the responsibility to deliver or accept stock can be terminated.

Securities: transaction between brokers wherein securities are not delivered on time by the broker on the sell side, forcing the buy-side broker to obtain shares from other sources.

BUYING ON MARGIN buying securities with credit available

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formance-based pay and indirect fringe benefit compensation, usually computed on an annual basis.

SALARY CONTINUATION PLAN arrangement, often funded by LIFE INSURANCE, to continue an employee's salary in the form of payments to a BENEFICIARY for a certain period after the employee's death. The employer may be the beneficiary, collecting the death benefit and making payments to the employee's beneficiary.

SALARY REDUCTION PLAN plan that allows employees the opportunity to have a certain percentage of their gross salary withheld and invested in the employee's choice of a stock, bond, or money market fund. *See also* SECTION 401(K) PLAN; SIMPLE IRA; SIMPLIFIED EMPLOYEE PENSION (SEP) PLAN.

SALE

In general: any exchange of goods or services for money. *See also* BARTER.

Finance: income received in exchange for goods and services recorded for a given accounting period, either on a CASH BASIS (as received) or on an ACCRUAL BASIS (as earned).

Law: *see* SALE OR EXCHANGE.

Marketing: price reduction for certain merchandise.

Securities: in trading, transaction when a buyer and a seller have agreed on a price for the security.

SALE AND LEASEBACK form of LEASE ARRANGEMENT in which a company sells an asset to another party—usually an insurance or finance company, a leasing company, a limited partnership, or an institutional investor—in exchange for cash, then contracts to lease the asset for a specified term. Generally, any gain or loss on sale is recognized, except when the risks and rewards of ownership are not transferred; in that case the transaction is treated as though the “seller” merely arranged a loan.

SALE AND LEASEBACK

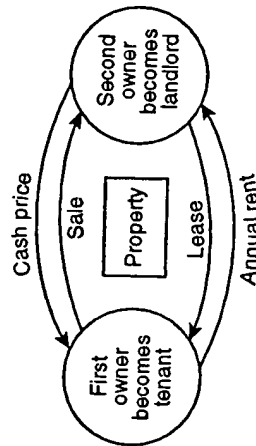


FIGURE 8

SALE OR EXCHANGE disposition of property in a value-for-value exchange, as opposed to a disposition by gift, contribution, or the like.

SALES ANALYST person in an accounting department with the job of tracking sales by region, product, or account to assure proper accounting and make recommendations to enhance profitability.

SALES BUDGET estimated amount of anticipated sales allocated by product, territory, or person; prepared weekly, monthly, or annually.

SALES CHARGE fee paid on purchasing an investment or product. For example, the sales charge for some mutual funds starts at 8½% of the capital invested and decreases as the size of the investment increases. *See also* FRONT-END LOAD; LOAD FUND; NO-LOAD FUND.

SALES CONTRACT contract by which buyer and seller agree to the terms of sale. *See also* AGREEMENT OF SALE; EARNEST MONEY contract.

SALES EFFECTIVENESS TEST testing designed to judge the ability of an advertising campaign, promotion, or communications medium to sell a product.

SALES INCENTIVE remuneration offered to a salesperson for exceeding some predetermined sales goal. Sales incentives are offered by manufacturers as part of a promotion for the sale of their goods. The incentive may be in cash, or it may take the form of a special prize, such as a trip to an exotic or exciting vacation place.

SALES JOURNAL JOURNAL where credit sales are first posted to ACCOUNTING RECORDS.

SALES LITERATURE written material designed to help sell a product or service.

SALES LOAD *see* SALES CHARGE.

SALES OFFICE manufacturer-owned office having no inventory, primarily intended to increase customer sales.

SALESPERSON one whose main activity is selling a product, service, or investment. Salespersons in many industries (real estate, insurance, securities) must be licensed.

SALES PORTFOLIO book of sales data used as a reference tool by a salesperson. The sales portfolio contains information about terms, special deals, prices, types of discounts, and available merchandising material.

SALES PRICE the amount of money required to be paid or previously paid for property or product.

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